

the provisions of this section and of section 808.12 with regard to library materials or equipment shall be posted in clear public view in all public libraries, in all libraries of educational, historical or charitable institutions, organizations or societies, in all museums and in all repositories of public records.

After the expiration of three days following the due date, the owner of borrowed library equipment may request the assistance of a dispute resolution center, mediation center or appropriate law enforcement agency in recovering the equipment from the borrower.

The owner of library equipment may require deposits by borrowers and in the case of late returns the owner may impose graduated penalties of up to twenty-five percent of the value of the equipment, based upon the lateness of the return.

In the case of lost library materials or equipment, arrangements may be made to make a monetary settlement.

If library materials or equipment to be loaned to a person have a value of \$500 or more, the owner shall require a deposit and shall require the borrower to enter into a written agreement setting forth the amount of the deposit, the due date and the penalties for failure to return the materials or equipment as agreed. The deposit shall be returned in full if the materials or equipment are returned without damage on or before the due date.

Approved May 24, 1985

CHAPTER 188

SECURITY INTERESTS IN FARM PRODUCTS

H.F. 554

AN ACT relating to security interests in farm products and providing penalties.

Be It Enacted by the General Assembly of the State of Iowa:

Section 1. Section 554.9307, subsection 1, Code 1985, is amended to read as follows:

1. ~~Except as provided in subsection 4, a buyer in ordinary course of business (subsection 9 of section 554.1201) other than a person buying farm products from a person engaged in farming operations as defined in section 554.1201, subsection 9, takes free of a security interest created by that person's seller even though the security interest is perfected and even though the buyer knows of its existence. For purposes of this section, a buyer or buyer in ordinary course of business includes any commission merchant, selling agent, or other person engaged in the business of receiving livestock as defined in section 189A.2 on commission for or on behalf of another.~~

Sec. 2. Section 554.9307, Code 1985, is amended by adding the following new subsection:

NEW SUBSECTION. 4. a. A buyer in ordinary course of business buying farm products from a person engaged in farming operations takes free of a security interest created by that person's seller even though the security interest is perfected, unless the buyer receives prior

written notice of the security interest, or unless the buyer purchases the farm products outside of the seller's trade area, or the buyer's principal place of business is located outside of the seller's trade area. The "seller's trade area" consists of the county in which the seller resides or a county that is contiguous to or corners upon the county where the seller resides. "Written notice" means a writing which may contain information regarding more than one debtor and more than one lien and contains all of the following:

- (1) The full name, address and social security or tax identification number of the debtor.
- (2) The full name and address of the secured party.
- (3) A description generally identifying the farm products subject to the security interest.
- (4) The date and signature of the secured party.

b. The written notice expires on the earlier of either of the following dates:

- (1) Eighteen months after the date the secured party signs the notice.
- (2) When the debt that appears on the notice is satisfied.

c. For the notice to be effective, the buyer of the farm products must have received the notice prior to the time the buyer has made full payment to the person engaged in farming operations. The notice is not effective against any payments made prior to receipt of the notice.

d. A debtor engaged in farming operations who has created a security interest in farm products shall provide the secured party with a written list of potential buyers of the farm products at the time the debt is incurred if the secured party requests such a list. The debtor shall not sell the farm products to a buyer who does not appear on the list or is not in the debtor's trade area unless the secured party has given prior written permission or the debtor applies the proceeds the debtor receives from the sale to the debt within fifteen days of the date of sale or delivery, whichever is later. A debtor who knowingly or intentionally sells the farm products in violation of this paragraph is guilty of an aggravated misdemeanor.

e. A buyer of farm products buying from a person engaged in farming operations shall issue a check for payment jointly to the debtor and those secured parties from whom the buyer has received prior written notice of a security interest. A buyer who issues a check jointly payable as specified in this subsection takes the farm products free of a security interest created by that person's seller. A buyer who does not issue a check jointly payable as specified in this subsection does not take farm products free of a security interest created by that person's seller. A buyer shall not withhold all or part of the payment to satisfy a prior debt. However, the buyer may withhold the costs incurred by the purchaser to market or transport the farm products if such costs are part of the agreement to purchase the farm products.

Sec. 3. Section 554.9404, subsection 1, Code 1985, is amended to read as follows:

1. If a financing statement covering consumer goods is filed on or after January 1, 1975, then within one month or within ten days following written demand by the debtor after there is no outstanding secured obligation and no commitment to make advances, incur obligations or otherwise give value, the secured party must file with each filing officer with whom the financing statement was filed, a termination statement to the effect that the secured party no longer claims a security interest under the financing statement, which shall be identified by file number. If a financing statement covering farm products is filed, then within sixty days, or within ten days following written demand by the debtor, after there is no outstanding secured objection and no commitment to make advances, incur obligations, or otherwise give value, the secured party shall file with each filing officer with whom the financing statement was filed, a termination statement to the effect that the secured party no longer claims a

security interest under the financing statement which shall be identified by file number. In other cases whenever there is no outstanding secured obligation and no commitment to make advances, incur obligations or otherwise give value, the secured party must on written demand by the debtor send the debtor, for each filing officer with whom the financing statement was filed, a termination statement to the effect that the secured party no longer claims a security interest under the financing statement, which shall be identified by file number. A termination statement signed by a person other than the secured party of record must be accompanied by a separate written statement of assignment signed by the secured party of record complying with section 554.9405, subsection 2, including payment of the required fee. If the affected secured party fails to file such a termination statement as required by this subsection, or to send such a termination statement within ten days after proper demand therefor the affected secured party shall be liable to the debtor for one hundred dollars, and in addition for any loss caused to the debtor by such failure.

Approved May 24, 1985

CHAPTER 189
APPEAL EXTENSION FOR CERTAIN TAXES
S.F. 13

AN ACT to allow certain nonprofit corporations owning property in this state an extension of time to appeal to the local board of review its property assessment values for designated assessment years and to allow refunds of taxes paid for designated tax years.

Be It Enacted by the General Assembly of the State of Iowa:

Section 1. A domestic nonprofit corporation organized under chapter 504A which provides recreational and social functions for its members and which owns property in a county whose population exceeds twenty thousand but does not exceed twenty-five thousand persons by the last federal census shall, notwithstanding any other provision of law, have until thirty days following the effective date of this Act to appeal to the appropriate board of review its property assessment values for the 1981 and 1982 assessment years.

Sec. 2. Upon the receipt of the appeal of its property assessment values filed for the 1981 and 1982 assessment years under section 1 of this Act, the local board of review shall reduce the property assessment values, if justified, for the assessment years notwithstanding the failure to have filed the appeal for review within the time period required by law.

Sec. 3. If property taxes have been paid for the tax year beginning in the assessment year for which a reduction in property assessment values is granted under section 2 of this Act, the nonprofit corporation shall file within thirty days of the notice of the reduction a claim for refund of the property taxes paid for the tax year and the county treasurer shall refund to the taxpayer the amount of property taxes paid for the tax year and assess against all taxing districts within the county their proportionate amount of the refund.